

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Max Millikan, O/RR
 THRU : Chief, Materials Division, O/RR
 FROM : Acting Chief, Ferrous Metals Branch

DATE: 2 November 1951

SUBJECT: Iron and Steel Output in the USSR.
 REF : [REDACTED] letter of October 24, 1951.

25X1A5a1

Your note of 27 October, 1951 requested a comparison of Mr. [REDACTED] estimates with our own. This is shown below:

25X1A5a1

Year	Pig Iron		Raw Steel		Rolled Steel	
	R.H.	FM	R.H.	FM	R.H.	FM
1945	8.9	9.0	12.25	11.8	—	—
1946	10.0	10.0	13.4	12.9	—	—
1947	11.4	11.5	14.6	14.1	—	—
1948	13.9	14.0	18.6	18.0	—	—
1949	16.6	16.7	23.3	22.5	—	—
1950	19.4	19.5	27.2	26.3	20.8	19.7

FM figures are in millions of metric tons. [REDACTED] did not indicate the weight system used, but it is assumed that his figures are also in terms of metric tons.

25X1A5a1

It will be noted that the pig iron figures are in good agreement, but those for raw steel and rolled steel are somewhat apart. We cannot determine the basis for [REDACTED] estimates. FM estimates have been based upon Soviet official announcements of their quarterly and yearly increases as quoted in terms of %. These have been coordinated with Department of State.

25X1A5a1

The 1950 estimate of raw steel output is at present quite a controversial figure even among the best students of Russian statistics. Estimates ranging from 25 to 27.6 million tons can be derived depending upon the individuals interpretation of the information given out by various Soviet sources, such as Bulganin's speech and the Gosplan report.

We have reviewed the published statistics in the original Russian language with Mr. Giloane, State Department analyst. He reads the language fluently and is a keen student of Russian statistics. It is apparent from the review that most of the statements given out regarding achievements of the Fourth Five Year Plan are quite ambiguous. For instance, the reference is always to having reached a level or rate of production over a preceding year but never in terms of volume. Some estimators, including Mr. [REDACTED] apparently have interpreted these statements literally as meaning an increase in total volume of output.

25X1A5a1

- 2 -

Until a firmer basis for the higher figure has been established, we feel that the lower figure of 26.3 million tons is a better and more realistic estimate.

We are now in the process of preparing a report which will give a detailed analysis of all production data together with best estimates of yearly output through 1950. In view of all the controversy regarding current output, we feel that such a report would be very worthwhile because future percentage statistics will probably involve increases over 1950.

25X1A9a

